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FEATURING: ★ Crop Production ★ Dairy Products ★ Chicken & Eggs ★ Tobacco Outlook

KENTUCKY FARMS REPORT GOOD CROP YIELDS

U.S. HIGHLIGHTS

<u>Corn production</u> was forecast at 9.43 billion bushels, up 2 percent from last month, but down 5 percent from 2000. If realized, this would be the lowest production since 1997.

<u>Corn yields</u> were expected to average 136.3 bushels per acre, up 2.8 bushels from September. This would be the third highest yield on record.

Soybean production was forecast at a record high 2.91 billion bushels, up 3 percent from September 1, and 5 percent above 2000.

<u>Soybean yields</u> were expected to average 39.2 bushels per acre, up 1.0 bushel from last month and 1.1 bushels above 2000.

<u>Eight-State Burley Belt production</u> was forecast at 372.0 million pounds, virtually unchanged from the September forecast but 3 percent above last year.

Burley yields were expected to average 2,127 pounds per acre, unchanged from the September forecast but up 170 pounds from 2000.

KENTUCKY

For most Kentucky farmers growing conditions were good this past summer and good to excellent yields were expected. Production of corn and soybeans was larger due to record yields and burley yields were the best in 7 years.

Production of <u>burley tobacco</u> was forecast at 253.0 million pounds, equal to the September forecast while up four percent from last year's crop. The increase from last year was due to the larger estimated yield per acre and an increase in the effective quota that farmers can sell. Minor houseburn and few disease problems have been reported.

Acreage for harvest was estimated at 115,000 acres, down 5,000 acres from 2000 and the smallest harvested acreage on record. Yield was estimated at 2,200 pounds per acre, the same as last month while up 175 pounds from last year. Stripping has begun with 10 percent reported stripped as of October 7. **Dark tobacco** production was forecast to be down from last year for all four types (22,23,35 and 36). Harvested acreage and yields were also down from last year.

<u>Corn</u> for grain produced was forecast at 165.2 million bushels on October 1, up 8 percent from September and 3 percent from last year. Harvest for grain made good progress and was 87 percent complete by October 7. Harvested acreage at 1.18 million acres was unchanged from last month. Yield was reported at 140 bushels per acre, 10 bushels above last month and a record high. The previous record of 132 bushels occurred in 1992.

Soybean harvest is underway with 25 percent harvested as of October 7. Acres for harvest at 1.24 million acres was unchanged from last month while 80,000 acres above last year and the largest harvested acreage in 17 years. Yield was forecast at 41 bushels per acre, a record high. This was one bushel above September and 2 bushels above last year's previous record high. Early yields were mostly good to excellent. Estimated production at 50.8 million bushels was 3 percent above last month and 12 percent above last year and the largest production since 1982.

All hay production was forecast at 5.84 million tons, up 5 percent from August 1 while down 7 percent from 2000. Alfalfa hay was reported at 1.00 million tons on October 1, up 3 percent from last year and 5 percent from August and the largest production in 5 years. Yield was estimated at a record high 4.0 tons per acre. Other hay production was forecast at 4.84 million tons up 5 percent from August while down 8 percent from 2000. Yield at 2.2 tons per acre was down 0.2 ton from last year.

CROP PRODUCTION

CROP SUMMARY, OCTOBER 1 KENTUCKY AND UNITED STATES, 2000 - 2001

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		2000	2001	2000	2001	2000	2001	
			Indicated		Indicated		Indicated	% of '00
		(The	ousand)			(Thou	sand)	
KENTUCKY								
Corn for Grain	Bu.	1,230	1,180	130.0	140.0	159,900	165,200	103
Soybeans for Beans <u>1</u> /	Bu.	1,160	1,240	39.0	41.0	45,240	50,840	112
Hay:								
All	Ton	2,450	2,450	2.55	2.38	6,255	5,840	93
Alfalfa	Ton	250	250	3.90	4.00	975	1,000	103
All Other	Ton	2,200	2,200	2.40	2.20	5,280	4,840	92
Tobacco:								
All	Lbs.	132.70	125.70	2,133	2,258	283,065	283,780	100
Burley	Lbs.	120.00	115.00	2,025	2,200	243,000	253,000	104
Type 22 E. Fired	Lbs.	4.10	3.30	3,150	2,800	12,915	9,240	72
Type 23 W. Fired	Lbs	3.80	3.10	3,400	3,300	12,920	10,230	79
Type 35 One Sucker	Lbs.	3.10	2.80	3,000	2,700	9,300	7,560	81
Type 36 Green River	Lbs.	1.70	1.50	2,900	2,500	4,930	3,750	76
Wheat, All	Bu.	420	360	57.0	66.0	23,940	23,760	99
Barley	Bu.	8	8	75.0	85.0	600	680	113
				ED STATES				
Corn for Grain	Bu.	72,732	69,191	137.1	136.3	9,968,358	9,429,543	95
Soybeans for Beans <u>1</u> /	Bu.	72,408	74,137	38.1	39.2	2,757,810	2,907,042	105
Sorghum for Grain	Bu.	7,723	8,777	60.9	61.0	470,070	535,795	114
Hay:								
Åll	Ton	59,854	63,833	2.54	2.54	152,183	162,303	107
Alfalfa	Ton	23,077	23,750	3.48	3.44	80,347	81,628	102
All Other	Ton	36,777	40,083	1.95	2.01	71,836	80,675	112
Tobacco:								
All	Lbs.	472.43	451.24	2,229	2,299	1,052,998	1,037,569	99
Burley	Lbs.	185.40	174.90	1,957	2,127	362,788	372,074	103
Type 22 E. Fired	Lbs.	11.80	9.40	2,896	2,800	34,167	26,320	77
Type 23 W. Fired	Lbs.	4.44	3.60	3,360	3,286	14,920	11,830	79
Type 35 One Sucker	Lbs.	3.78	3.42	2,901	2,664	10,966	9,110	83
Type 36 Green River	Lbs.	1.70	1.50	2,900	2,500	4,930	3,750	76
Wheat, All	Bu.	53,133	48,653	42.0	40.2	2,232,460	1,957,643	88
Barley	Bu.	5,213	4,289	61.1	58.2	318,728	249,590	78

<u>1</u>/2000 Revised.

U. S. DAIRY PRODUCTS, AUGUST 2001

PRODUCT	August July August 2000 2001 1/ 2001			Percent of August July 2000 2001	
_	(000) Pounds			Percent	
BUTTER	83,651	79,888	76,527	91	96
CHEESE					
American Types 2/	291,870	298,394	286,810	98	96
Mozzarella	216,490	224,814	211,242	98	94
All Other Types 3/	175,416	155,901	166,167	95	107
Total	683,776	679,109	664,219	97	98
	(000) Gallons		Percent		
FROZEN PRODUCTS					
Ice Cream (Hard)	80,330	81,942	79,866	99	97
Frozen Yogurt (Total)	8,910	8,196	7,934	89	97
MIX FOR FROZEN PRODUCTS					
Ice Cream Mix	46,243	48,037	46,922	101	98
Yogurt Mix	4,878	4,821	4,667	96	97

^{1/}Revised. 2/Includes Cheddar, Colby, Monterey, and Jack. 3/Includes Swiss, cream and all other types. Excludes cottage cheese.

UNITED STATES EGG PRODUCTION & HATCH

Item	Aug 2000	Aug 2001	Aug '01 as % Aug '00
Egg Production			
Eggs Produced (Million)	7,104	7,206	101
Average Layers (000)	325,753	332,129	102
Eggs Per 100 Layers	2,181	2,170	99
Egg Type Hatchery			
Eggs Set Sept 1 (000)	34,381	33,421	97
Chicks Hatched (000)	34,324	35,162	102
Broiler Type Hatchery			
Eggs Set Sept 1 (000)	615,049	629,935	102
Chicks Hatched (000)	740,890	761,233	103

BURLEY DOMESTIC DISAPPEARANCE UP 30 PERCENT

Burley Tobacco Producer marketings in the 2000 crop year (October 2000 through September 2001) totaled 223.5 million pounds. With 87.5 million pounds of non-auction (mostly contract) sales, total marketings reached only 310.9 million pounds, a 44- percent decline from the previous season's 551.2 million pounds. Auction volume in 2000-01 was the lightest since the 1936 crop. Most of the decline was due to the 45-percent drop in the basic quota but contract sales also reduced auction sales significantly. Lower production combined with higher beginning stocks in 2000-01 resulted in supplies of 1,351 million pounds, 7 percent below the previous season. Burley tobacco use is likely to increase in 2000-01 by about 50 million pounds. During the first 9 months of the marketing year (September 2000 through June 2001), disappearance totaled 373.5

2000 through June 2001), disappearance totaled 373.5 million pounds, 20 percent ahead of last year. Export demand fell 10 percent but domestic use advanced 30 percent during the 9-month period. Domestic use likely rose to offset very low use the previous year. Domestic use is estimated to be 60 million pounds higher than last season. Adjusting the supply of burley leaf to reflect

approximately 229.1 million pounds (farm-sales weight), which are now owned by the CCC as part of the burley loanforgiveness legislation, results in 2000 supplies of 1.12 billion pounds. This tobacco, as with flue-cured, will effectively be eliminated from the marketing system, and supplies beginning in October 2001 will be reduced by that amount. As of September 1, burley production in 2001 is estimated at 372.0 million pounds, 3 percent ahead of last year's production. Marketings this year could reach 360 million pounds, including carryover tobacco, resulting in supplies of 1.270 million pounds, 6 percent below 2000. However, accounting for the loan-forgiveness tobacco, stocks may fall to nearly 500 million pounds, half the previous year's supply. Available tobacco in 2001 (including on-farm carryover) are expected to be about 400 million pounds compared with 311 million pounds during the 2000-01 season. The effective quota is only 352 million pounds, so marketings are limited to about 360 million pounds. Burley is usually undermarketed by about 15-20 percent. However, given the excellent quality of this year's crop and tight supplies, an amount close to the quota may well be marketed.

FIRE-CURED (TYPE 22-23) DISAPPEARANCE UP SLIGHTLY

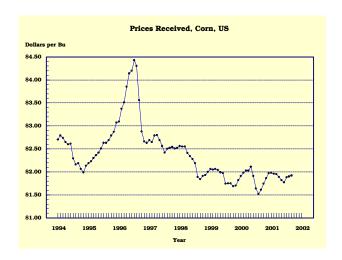
Fire-cured tobacco is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half the crop is usually exported. Production of fire-cured leaf in 2000 reached 51.6 million pounds, 36 percent higher than the previous season. Prices were higher also. However, in 2001, production is forecast at nearly 1999 levels--an estimated 39.5 million pounds. Kentucky-Tennessee fire-cured leaf production as of September 1, 2001, is estimated at 37.2 million pounds compared with 49.1 million pounds in 2000. Strong demand for fire-cured in export markets has

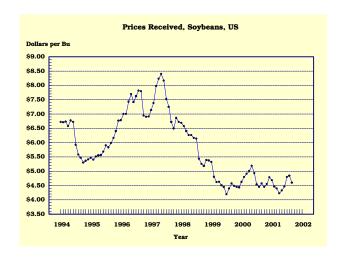
boosted disappearance during recent seasons. Exports during the 2000 crop year have been ahead of the previous year. Exports of Kentucky-Tennessee fire-cured shipments were 19 percent higher during the first 9 months of the 2000 crop year (October 2000-June 2001) than the previous year. Total exports are expected to reach 25 million pounds. Total disappearance for the first 9 months of the 2000 marketing year totaled 32.6 million pounds. Disappearance is expected to exceed 40 million pounds for the entire marketing year, slightly higher than during 1999.

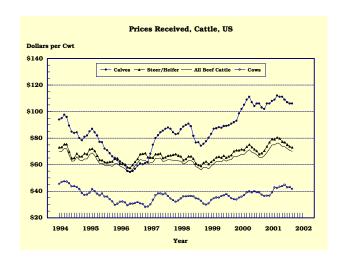
DARK AIR-CURED (TYPE 35-36) DISAPPEARANCE DOWN 10 PERCENT

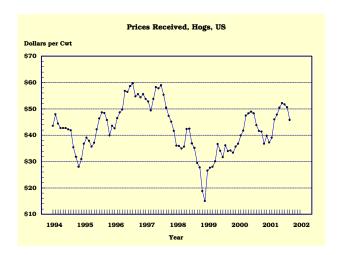
Dark Air-Cured Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent, smoking tobacco. Production and use have declined by more than half over the last two decades. Exports usually account for 10 to 20 percent of total use. The marketing year for dark air- cured tobacco is on an October-September basis. Disappearance during the 2000 crop year (October 2000- September 2001) will likely fall compared with the previous season and be closer to 1998 levels. Exports of dark air-cured slipped during the first 9 months. Disappearance during the first 9 months of the

2000 marketing year are 10 percent below the same period of the previous season, at 7.3 million pounds. Export demand for dark air-cured leaf is strong because of its low nitrosamine levels. After reaching the highest production level since 1994, production is set to slip 21 percent according to September 1 estimates. However, production should still be the second highest in the past decade. Increased use by U.S. manufacturers is behind the sustained demand. Stocks of Kentucky-Tennessee dark air-cured (types 35-36) in July 2001 were 7.6 million pounds greater than in July 2000. Supplies in 2001 are expected to be nearly 10 million pounds above the previous year's levels.









Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at http://www.nass.usda.gov/ky. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at http://www.usda.gov/nass/

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